

# Approval to Extend the Bridges Maintenance & Masonry Repairs 2019-2021 Contract (formerly extended) to 2023

**Date:** 16 November 2022

**Report of:** Megan Chamberlain, Assistant Procurement Engineer, Highways & Transportation

**Report to:** The Chief Officer (Highways & Transportation)

Will the decision be open for call in? ☐ Yes ☒ No

Does the report contain confidential or exempt information? ☐ Yes ☒ No

## Brief summary

This report seeks approval from the Chief Officer (Highways & Transportation) to extend the Bridges Maintenance & Masonry Repairs Contract for a further 12 months to 30/11/2023. This is the second of 2x possible 12 month extensions.

This includes an Annual Price Change Mechanism. As per the contract, the incumbent contractors have the opportunity to review their rates; and increase shall not exceed the percentage offered. This is currently 10.1% but is subject to change when October's RPI figures are released.

The contract extension will start from 1<sup>st</sup> December 2022 for a one-year period until 30<sup>th</sup> November 2023 with the incumbent contractors: Coating Services Ltd, Hinko, RAM Services and Route One Infrastructure, who have agreed to the extension.

This extension will allow us to keep using the compliant contractor we procured at the first time of tendering under the same terms and conditions. Retendering is not expected to bring any further savings and would incur costs associated with a new tender process.

This contract exists to carry out general repairs and refurbishment including painting, to existing bridges, bridge parapets, retaining walls, traffic signal mast arms, gantries and other highway structures on a labour, plant and materials basis. Carrying out this type of regular maintenance on our structures helps minimise the risk of further structural failings which could potentially result in a risk to life and potential highway closures due to lengthy extensive repairs.

## Recommendations

- a) The Chief Officer (Highways & Transportation) is requested to approve the recommendation to extend the Bridges Maintenance & Masonry Repairs Contract for an additional 12 months to 30<sup>th</sup> November 2023 with Coating Services Ltd, Hinko, RAM Services and Route One Infrastructure. The estimated cost of the 12-month extension is approximately £550,000.00.

## What is this report about?

- 1 This report seeks approval from the Chief Officer (Highways & Transportation) to extend the Bridges Maintenance & Masonry Repairs Contract for a further 12 months to 30<sup>th</sup> November 2023, which will utilise the second of two possible extensions. This is in accordance with Contract Procedure Rule 21 and utilising Clause 80 incorporated within the Contract.
- 2 The contract was originally awarded in 2019 for a 2-year period. Under Clause 80, we have the option to extend the contract twice leading to a total contract period of 4 years.
- 3 The contract extension will start from 1<sup>st</sup> December 2022 for a one-year period until the 30<sup>th</sup> November 2023 with the incumbent contractors (Coating Services Ltd, Hinko Construction Ltd., RAM Services Ltd and Route One Infrastructure Ltd) – who have each agreed to the proposed extension.
- 4 This extension would include an Annual Price Change Mechanism, as per the contract, by which the appointed contractors have the opportunity to review their rates and any increase shall not exceed the percentage offered. This is currently 10.1% but subject to change when the October CPI figures are released.
- 5 The proposed extension will allow us to keep using the compliant contractors we procured at the first time of tendering under the same terms and conditions. Retendering is not expected to bring any further savings and would incur costs associated with a new tender process. The current CPI is 10.1%; Two of the current contractors have opted to take less than the current CPI. If we were to re-tender at the present time, we would likely see the same contractors retender with the option of increasing their rates without an indexation cap and also increase their percentage items which are currently fixed. This would leave to even higher costs for the council. New tendered would also not be limited to the increases that have been offered to the incumbent contractors over the life of the contract, which has kept costs down. The proposed extension therefore serves as an efficient way of procuring these ongoing works, while ensuring the approach is consistent with the aims contained in the Council's Spending Money Wisely Policy.
- 6 This contract exists to carry out general repairs and refurbishment including painting, to existing bridges, bridge parapets, retaining walls, traffic signal mast arms, gantries and other highway structures on a labour, plant and materials basis. Carrying out this type of regular maintenance on our structures helps minimise the risk of further structural failings which could potentially result in a risk to life and potential highway closures due to lengthy extensive repairs.
- 7 This contract also contributes to aiding the Council's Climate Emergency commitment by way of carrying out regular maintenance of existing structures, this helps prolong their life reducing the need for extensive refurbishment work and replacing large sections of the existing structure.

### **What impact will this proposal have?**

- 8 The proposals requested in this report have no direct impact on any of the equality characteristics as it is purely an administrative function and therefore it is not applicable to carry out an equality, diversity, cohesion and integration screening at this time.
- 9 During the original tender of this Contract it was also considered not applicable for an equality, diversity, cohesion and integration screening assessment to be undertaken.

### **How does this proposal impact the three pillars of the Best City Ambition?**

☒ Health and Wellbeing

☒ Inclusive Growth

☐ Zero Carbon

- 2 Continuation of this contract ensures that health and wellbeing is promoted by providing ongoing maintenance which can prevent more serious engineering failures and mitigate the need for lengthy disruptive traffic management. With less requirements for traffic management allowing vehicles to flow freely throughout the city helps keep vehicle emissions to a minimum.

- 3 This contract contributes to aiding achievement of the Council's Climate Emergency commitment by way of carrying out regular maintenance of existing structures, this helps prolong their life reducing the need for extensive refurbishment work and replacing large sections of existing structures.

#### **What consultation and engagement has taken place?**

Wards affected:

Have ward members been consulted? ☐ Yes ☒ No

- 10 Consultation has taken place with the Bridges team who have confirmed their need for this contract to be able to deliver the service and that they are satisfied with the performance of the incumbent contractors.
- 11 The other West Yorkshire Authorities who use the contract have expressed their desire for the contract to be extended to allow them to carry out essential maintenance to their structures.

#### **What are the resource implications?**

- 12 The proposal to extend the Contract is judged to be value for money and is an effective use of Council resources. Re-tendering is not expected to bring any further savings and would incur costs associated with a new tender process.
- 13 The estimated annual contract value is £850,000.00 for the combined authorities.
- 14 Leeds City Council's estimated spend is around £550,000.00 per annum.
- 15 It has been considered and confirmed that appropriate funding provision is available from revenue budgets as and when the services is required.
- 16 If the Contract is not extended, we have no compliant alternative in place and would therefore be unable to carry out the maintenance and repair works that may be required.
- 17 The extension of this framework will not have EDCI. In itself, the tendering of a new framework will not have any direct impact on equality and diversion or cohesion and integration, the condition within the frameworks' specification will dictate that any works delivered through the framework will have due consideration to the above.

#### **What are the key risks and how are they being managed?**

- 18 This contract ensures that the Council has the ability to maintain its structures to a satisfactory standard and also respond to urgent issues to avoid further damage and potential risk to the general public.

#### **What are the legal implications?**

- 1 There are no specific legal implications arising from this report. All activities relating to the proposed contract extension have been executed strictly in accordance with the Council's Contract Procedure Rules.
- 2 Extending the contract is a direct consequence of the initial authority to procure and should be treated as a significant operational decision, as such it is not eligible for call in.

#### **Options, timescales and measuring success**

##### **What other options were considered?**

- 19 The extension of this Contract is an efficient use of Council resources and is judged to be value for money in comparison to preparing quotes for each individual repair.

20 The extension will allow us to keep using the compliant contractors we procured at the first time of tendering on the same terms and conditions and retendering is unlikely to result in any additional savings.

**How will success be measured?**

21 Following consultation with the Bridges team, it has been confirmed that the previous 3 years in which the contract has been active have proved to be successful. The contractors have remained compliant and their merit will continue to be measured on the same basis going forward.

**What is the timetable and who will be responsible for implementation?**

22 The contract extension needs to be in place before the contract expires on the 30<sup>th</sup> November 2022.

**Appendices**

23 None.

**Background papers**

24 None.